

# Things to Consider Before Buying a Mobile Home in North Carolina

## Notice

This is intended for general information and is not a substitute for consulting with an attorney about individual circumstances or a particular transaction.

## Is it a Sale or a Lease:

1. Some agreements may look like sales but are actually leases.
  - a. It is important to understand who is responsible for things like repairs and maintenance.
2. If the buyer will not get title until the last payment, the buyer may still be treated like a tenant.
  - a. A tenant in a rent-to-own has more rights than a traditional tenant and may have protections against eviction in small claims.
  - b. If the contract is terminated, the tenant/buyer may end up facing eviction.
3. Ask when the buyer will become the legal owner and get the answer in writing.
4. If the tenant/buyer does not have legal title until the end of the agreement, any repairs or improvements made to the property may be lost if the agreement does not go through to completion.
  - a. Some people put a lot of money into fixing up a home and then do not end up with title.

## Legal Ownership and Title:

1. Make sure the seller has legal title in their name alone. If they do not, they may not be able to give legal title even if the buyer completes the agreed upon payments.
2. Ask to see the title before paying anything and check for liens, unpaid taxes, or loans.
3. Buyer must have a valid driver's license or state ID to legally take title to a mobile home in NC.
4. If the seller still owes money on the home, buyer should ask seller to confirm in writing how and when the loan will be paid off.

## Understanding the Contract

1. Buyer should always get the agreement in writing. It should include:
  - a. The full purchase price.
  - b. Down payment and monthly payment amounts.
  - c. Due dates and payment schedule.
  - d. When and how title will be transferred?
  - e. Who is responsible for repairs, taxes, and insurance?
  - f. Check whether the buyer has additional requirements, such as:
    - i. Paying lot rent if the land is rented.
    - ii. Does the buyer need to buy insurance?
    - iii. Who is responsible for maintaining / repairing the mobile home?
  - g. What happens if the buyer misses a payment or breaks the agreement?
    - i. Is there a grace period?
    - ii. Can the seller terminate the contract immediately?
    - iii. Will the buyer lose the home and payments made?
    - iv. How will any repairs or improvements made be accounted for?
    - v. Will the buyer still owe money?
  - h. If possible, buyer should have an attorney review the contract before signing it or paying any money to the seller.

## Warnings and Red Flags for Buyers

1. The seller will not show the title to the buyer.
2. There is no written agreement between the seller and buyer.
3. The seller pressures the buyer to pay money quickly.
4. Seller tells buyer they cannot get the title until they pay the full purchase price
5. Seller asks or allows the buyer to move in before signing anything.
6. Seller tells the buyer that payments are just for “holding the home.”
7. Seller tells the buyer not to worry about the paperwork “until later.”
8. Home is in poor condition and buyer is expected to fix it up using their own time and resources.

## Conditions and Moveability of the Home

1. Can the home be legally and safely moved?
2. Will the home meet standards for relocation if needed? (See Land and Lot Considerations section below)
3. Older or damaged homes may not meet moving standards.
4. Moving a mobile home can cost thousands of dollars.
5. Before buying a mobile home, buyer should consider getting the home inspected for:
  - a. Structural problems.
  - b. Water damage or mold.
  - c. HVAC, plumbing and electrical issues.
  - d. Roof condition.

## DMV and Tax Information

1. Mobile homes are titled through the NC DMV like vehicles.
2. Buyer should expect to pay sales tax and title fees when title is transferred to buyer.
3. Ask the seller who is responsible for these costs – the seller or buyer?

## Insurance

1. Clarify who will be responsible for insuring the home.
2. Some homes may be hard to insure due to age or condition.
3. Find out whether the home currently has active insurance coverage.
4. It is best for buyer to consult with an insurance agent before signing an agreement to purchase a mobile home to make sure the buyer will be able to get adequate insurance to protect the mobile home and personal property inside it

## Budgeting for Hidden Costs

1. Beyond the purchase price, budget for:
  - a. Lot rent, if applicable.
  - b. HOA or park fees, if applicable.
  - c. Utility bills (electrical, water, sewer).
  - d. Property taxes.
  - e. Insurance.
  - f. Maintenance and repairs.
  - g. Moving costs (if needed).

## Land and Lot Considerations

1. Is the mobile home buyer buying the land too? If not, buyer may owe additional lot rent after the home is paid off.
2. If mobile home buyer is renting the land:
  - a. Who is the landlord (landowner)?
  - b. Is the landlord a different person or company from the mobile home seller?
  - c. Mobile home buyer may be evicted if buyer does not pay rent or follow the lease terms.
  - d. Mobile home buyer may be evicted if the landlord sells the park
  - e. Understand your lot/land lease:
    - i. When does it end?
    - ii. Is it month-to-month?
    - iii. Can the landlord raise rent or end the lease?
3. If the seller is also the landowner, ask what happens when the home is paid off. It is important to understand these issues before entering into the initial contract. The answers help decide how good a deal this is in the first place.
  - a. Will the buyer need to continue to pay rent for the land?
    - i. If so, what will the terms of that agreement be?
    - ii. If not, will buyer need to move the home?
4. If you are evicted from the lot, mobile home buyer may have to move the home.
  - a. Could the home be moved if buyer had to move it from the lot?
  - b. Could the buyer afford to pay to move it?

## **Park and Community Rules (If in a Mobile Home Park)**

1. Review park rules:
  - a. Guest limits (who can stay and for how long).
  - b. Pet policies (breed, size, and number of pets).
  - c. Subleasing rules.
  - d. Shed/fencing restrictions.
  - e. Maintenance obligations.
2. Find out:
  - a. Whether the park has a history of rent increases.
  - b. What happens if the park is sold or closed?
3. Are these rules in writing and available to the mobile home buyer before signing?
4. Is there a management company or on-site manager? How can they be contacted?

## **Zoning and Setup on Land the Buyer Owns**

1. Check local zoning laws to make sure mobile homes are allowed.
2. Ask about:
  - a. Double-wide vs. single-wide restrictions.
  - b. Tie-down requirements, setbacks, utility access.
  - c. Whether mobile home buyer needs septic/sewer or well water.
3. Will the county allow a mobile home on the land?
4. Are permits required before moving the home?

## **Still Unsure? Ask for Help**

Before signing a contract, it's a good idea to talk to an attorney, so that the buyer knows their rights and obligations.